

SUMMARY

The Office of Natural Gas and Petroleum Import and Export Activities prepares quarterly reports summarizing the data provided by companies authorized to import or export natural gas. Companies are required, as a condition of their authorizations, to file quarterly reports. This report is for the third quarter of 1997 (July - September).

Attachment A shows the percentage of takes to maximum firm contract levels and the weighted average per unit price for each of the long-term importers during the five most recent calendar quarters.

Attachment B shows volumes and prices of gas purchased by long-term importers and exporters during the past 12 months.

Attachment C shows volume and price information pertaining to gas imported on a short-term or spot market basis.

Attachment D shows the gas exported on a short-term or spot market basis to Canada and Mexico.

Third Quarter Highlights: Natural gas imports from Canada totaled 692.6 Bcf for the quarter, slightly down from 694.8 Bcf in the previous quarter. Long-term imports from Canada were down due primarily to the termination of the four Southern California Edison Company long-term import contracts. Exports to Canada decreased compared to the second quarter (10.2 v. 12.4 Bcf).

LNG imports totaled 19.9 Bcf. Of this total, Distrigas Corporation imported 12.3 Bcf and Duke Energy LNG Sales, Inc. (formerly PanEnergy LNG Sales, Inc.) imported 7.6 Bcf. Imports of LNG during the first 9 months of 1997 are running 134 percent ahead of the level of LNG imports recorded in 1996 (52.7 v. 22.5 Bcf). LNG imports should reach their highest level since 1993, when 81.7 Bcf was imported. On September 13, 1997, Distrigas received its first shipment of LNG from Australia. More recently, in November, Duke Energy received its first delivery of Australian LNG at Lake Charles, Louisiana, which will be recorded in next quarter's report.

Exports to Mexico totaled 15.5 Bcf, the highest volume since the second quarter of 1995 (20.7 Bcf). On the other hand, only 1.1 Bcf was imported from Mexico, reaching the lowest level since the second quarter of 1995 when there were no Mexican imports. Gas was exported to Mexico for the first time at the new United States/Mexico border-crossing facility near Calexico, California. This new pipeline is part of San Diego Gas and Electric Company's and Southern California Gas Company's joint venture to market gas to Mexico. The new pipeline interconnects with pipeline facilities constructed by Distribuidora de Gas Natural de Mexicali, a newly formed natural gas distribution system in Mexicali, Mexico. This project is making natural gas available to Mexicali for the first time. Approximately 23 MMcf was exported at Calexico during the third quarter. For more details on this project, see page xviii of the Focus Report in last quarter's Quarterly Report.

Third Quarter Data: Long-term imports totaled 348 Bcf during the third quarter, decreasing 10 Bcf

compared to the third quarter of 1996 (357.8 Bcf). Long-term Canadian imports for the quarter totaled 330.8 Bcf, representing a six percent decrease over the third quarter of 1996 (352.5 Bcf). The average price of these supplies was \$2.17/MMBtu, which was 8 percent higher than the second quarter. Under other long-term arrangements, Distrigas imported 10 Bcf of LNG at \$2.38/MMBtu and Duke Energy imported 7.2 Bcf of LNG at \$2.00/MMBtu. Marathon Oil Company and Phillips Alaska Natural Gas Corporation exported 15.1 Bcf of LNG.

During the third quarter, 92 companies used **short-term authorizations to import** 365.6 Bcf. This volume represents a 3 percent increase compared to the third quarter of 1996 (354.5 Bcf). Of this total, 361.8 Bcf was imported from Canada at an average price of \$1.54/MMBtu, and 1.1 Bcf was imported from Mexico at an average price of \$1.97/MMBtu. Under short-term LNG contracts, Distrigas imported 2.3 Bcf from Australia, and Duke Energy imported .4 Bcf from Algeria.

Approximately 45 percent of the **short-term Canadian imports** occurred at Eastport, Idaho, at an average price of \$1.28/MMBtu; 17 percent at Sumas, Washington, at \$1.20/MMBtu; 15 percent at Port of Morgan, Montana, at \$1.91/MMBtu; 11 percent at Noyes, Minnesota, at \$1.90/MMBtu; 6 percent at Niagara Falls, New York, at \$2.48/MMBtu; 2 percent at Waddington, New York, at \$2.29/MMBtu; and 4 percent at various other entry points, at \$1.88/MMBtu.

In addition, 28 short-term export authorizations were used to export a total of 25.7 Bcf. Of this total, seven companies exported 10.2 Bcf of gas to Canada, at an average price of \$2.19/MMBtu. Twenty-one companies exported 15.5 Bcf to Mexico at an average price of \$2.39/MMBtu.

Year to Date Data: Comparing the first nine months of 1997 with the same period of 1996, gas imports increased 1 percent or by 30 Bcf (2,200 v. 2,167 Bcf). Canadian imports increased slightly (2,135 v. 2,133 Bcf); Mexican imports increased by 8 percent (12.6 v. 11.7 Bcf); and LNG imports increased 134 percent (52.7 v. 22.5 Bcf). During the same time period, total exports decreased by 6 percent (116.0 v. 123.5 Bcf). Exports to Canada decreased 5 percent (42.2 v. 44.4 Bcf) and exports to Mexico increased 1 percent (28.7 v. 28.4 Bcf). Exports to Japan decreased 11 percent (45.2 v. 50.7 Bcf).

The quarterly report and any future revisions will be resident on our Electronic Bulletin Board at (202) 586-7853 or on the Internet at <http://www.doe.fe.gov>. All general queries concerning this report should be made to Yvonne Caudillo at (202) 586-4587 or by E-mail at yvonne.caudillo@hq.doe.gov.